

NJRA Bond Program

Use of Proceeds	Tax-Exempt bond financing for land and building acquisition, new construction or expansion or purchase of new equipment and machinery.
Public Sector Participants	NJRA manages this conduit bond program. The NJRA acts as a conduit by issuing its qualified small issue bonds for purpose of acquiring or constructing capital facilities for qualifying borrowers so that the borrowed funds (bond proceeds) can be treated as tax-exempt.
Project Eligibility	Redevelopment projects located in any of the NJRA's eligible municipalities. Certain 501(c)(3) not-for-profit entities and manufacturers can apply.
Source of Funds	\$100 million in annual bonding capacity. Bonds are issued provided there is a buyer; generally with a direct purchase from a bank or private placement for a bank letter of credit enhanced bond.
Manufacturing Companies	\$750,000-\$10,000,000. Bond terms are up to 20 years for real estate and up to 10 years for equipment. Bond proceeds can be used for land and building acquisition, new construction or expansion, purchase of new equipment and machinery.
Not-For-Profit Organizations	\$750,000 - No Limits. Bond terms are up to 20 years and up to 10 years for equipment. Bond proceeds can be used for land and building acquisition, new construction or expansion, purchase of new equipment and machinery and debt refinancing/working capital.
Rates and Terms	Average 1% - 4% Below prime rate, subject to variable or fixed rate.

NJRA Bond Application Process

This is typically the NJRA Bond Application process, however, this process is subject to change.

Step 1 Borrower Application	<ul style="list-style-type: none"> • Contact NJRA to schedule a meeting at (609) 292-4557 • Submit applications and fee • Select NJRA approved bond counsel • Submit financial statements, sales contract/site plan approvals
Step 2 Preliminary Approval	<ul style="list-style-type: none"> • NJRA Board adopts preliminary approval • Bond counsel opines that applicant can commit to capital expenditures after approval
Step 3 Final Bond Approval	<ul style="list-style-type: none"> • Bank commits to Direct Purchase or issues Direct Pay Letter of Credit • Bond counsel prepares 14 day public notice • NJRA Board adopts final approval authorizing bond issue
Step 4 Bond Closing	<ul style="list-style-type: none"> • Bond counsel completes all documents • Bond proceeds are deposited in project fund from sale of bonds or direct purchase • Borrower requisitions proceeds pursuant to approved project costs

Creative Community Investments